MINUTES OF

COMMISSION CONFERENCE, TUESDAY, JANUARY 18, 2000

COMMENCED: 9:30 a.m. **ADJOURNED:** 5:45 p.m.

COMMISSIONERS PRESENT: Chairman Garcia

Commissioner Deason Commissioner Clark Commissioner Jacobs

1 Approval of Minutes

November 16, 1999 Regular Commission Conference.

DECISION: The minutes were approved.

Commissioners participating: Garcia, Deason, Clark, Jacobs

2 Consent Agenda

A) Applications for certificates to provide pay telephone service.

DOCKET NO. 991881-TC - Alexander Dinu II

DOCKET NO. 991903-TC - Paramount International

Telecommunications, Inc. d/b/a R

Network

DOCKET NO. 991885-TC - STAR Island Management Corp.

DOCKET NO. 991886-TC - FAXlink, Inc.

DOCKET NO. 991887-TC - Scott & Corinna Almeida d/b/a SC

Communications

DOCKET NO. 991895-TC - Maria Elena Neeley

DOCKET NO. 991896-TC - Ali M Mattar d/b/a Pyramids

International Trading, Co.

DOCKET NO. 991901-TC - Advance Payphones U.S.A., Inc.

DOCKET NO. 992020-TC - Florida Equipment Management, Inc.

DOCKET NO. 992021-TC - Herman G. Brueckner d/b/a HB

Telecom

DOCKET NO. 000018-TC - Jan Davis

- B) DOCKET NO. 991639-TX Application for certificate to provide alternative local exchange telecommunications service by Empire Telecom Services, Inc.
- C) Applications for certificates to provide interexchange telecommunications service.

DOCKET NO. 990726-TI - Annox, Inc.

DOCKET NO. 991466-TI - essential.com, inc.

2 Consent Agenda

(Continued from previous page)

DOCKET NO. 991687-TI - Compact Data Systems, Inc.

D) Requests for cancellation of pay telephone certificates.

DOCKET NO. 991859-TC - U.S. Public Telephone Company, Inc.

DOCKET NO. 991943-TC - Hartman and Tyner, Inc. d/b/a Hollywood Greyhound Track

DOCKET NO. 991944-TC - Royal Telecommunications, Inc.

- E) DOCKET NO. 991856-TX Request for cancellation of Alternative Local Exchange Telecommunications Certificate No. 4797 by Access Network Services, Inc., effective 12/6/99.
- F) Requests for cancellation of interexchange telecommunications certificates.

DOCKET NO. 991575-TI - WinStar Gateway Network, Inc.

DOCKET NO. 991857-TI - Access Network Services, Inc.

DOCKET NO. 991858-TI - LDS Ventures, Inc. d/b/a Long Distance Savers, Inc.

DOCKET NO. 991784-TI - TeleKey, L.L.C.

- G) Requests for approval of resale agreements.
 - DOCKET NO. 991688-TP BellSouth Telecommunications, Inc.

with Direct-Tel USA, LLC (Critical Date: 2/4/2000)

DOCKET NO. 991692-TP - Sprint-Florida, Incorporated with

One EZ Call, Inc.

(Critical Date: 2/10/2000)

DOCKET NO. 991721-TP - BellSouth Telecommunications, Inc. with Nexstar Communications, Inc.

(Critical Date: 2/10/2000)

DOCKET NO. 991732-TP - BellSouth Telecommunications, Inc.

with Trans National Telecommunications, Inc.

(Critical Date: 2/15/2000)

2 Consent Agenda

(Continued from previous page)

H) Requests for approval of amendments to resale agreements.

DOCKET NO. 991711-TP - BellSouth Telecommunications, Inc. and BasicPhone, Inc. (Critical Date: 2/10/2000)

DOCKET NO. 991712-TP - BellSouth Telecommunications, Inc. and U.S. Telco, Inc. (Critical Date: 2/10/2000)

DOCKET NO. 991713-TP - BellSouth Telecommunications, Inc. and EXCELINK COMMUNICATIONS, INC. (Critical Date: 2/10/2000)

I) Requests for approval of interconnection agreements.

DOCKET NO. 991683-TP - BellSouth Telecommunications, Inc. with Metrocall, Inc. (Critical Date: 2/3/2000)

DOCKET NO. 991684-TP - BellSouth Telecommunications, Inc. with PageNet, Inc. (Critical Date: 2/3/2000)

DOCKET NO. 991705-TP - BellSouth Telecommunications, Inc. with Sharp Communications, Inc. (Critical Date: 2/10/2000)

DOCKET NO. 991724-TP - BellSouth Telecommunications, Inc. with Priority Communications, Inc. (Critical Date: 2/11/2000)

J) DOCKET NO. 991725-TP - Request for approval of interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and CRG International, Inc. d/b/a Network One.

(Critical Date: 2/11/2000)

K) Requests for approval of amendments to interconnection, unbundling and resale agreements.

DOCKET NO. 991706-TP - BellSouth Telecommunications, Inc. and Business Telecom, Inc. d/b/a BTI (Critical Date: 2/10/2000)

2 Consent Agenda

(Continued from previous page)

- DOCKET NO. 991707-TP BellSouth Telecommunications, Inc. and BlueStar Networks, Inc. (Critical Date: 2/10/2000)
- DOCKET NO. 991708-TP BellSouth Telecommunications, Inc. and KMC Telecom II, Inc. (Critical Date: 2/10/2000)
- DOCKET NO. 991709-TP BellSouth Telecommunications, Inc. and ALLTEL Communications, Inc. (Critical Date: 2/10/2000)
- DOCKET NO. 991710-TP BellSouth Telecommunications, Inc. and @Link Networks, Inc. (Critical Date: 2/10/2000)
- DOCKET NO. 991714-TP BellSouth Telecommunications, Inc. and WinStar Wireless, Inc. (Critical Date: 2/10/2000)
- DOCKET NO. 991715-TP BellSouth Telecommunications, Inc. and DSLnet Communications, LLC (Critical Date: 2/10/2000)
- DOCKET NO. 991716-TP BellSouth Telecommunications, Inc. and DIECA Communications, Inc. d/b/a Covad Communications Company (Critical Date: 2/10/2000)
- DOCKET NO. 991717-TP BellSouth Telecommunications, Inc. and Golden Harbor of Florida, Inc. d/b/a Hometown Telephone of Florida, Inc. (Critical Date: 2/10/2000)
- DOCKET NO. 991718-TP BellSouth Telecommunications, Inc. and Florida Digital Network, Inc. (Critical Date: 2/10/2000)
- L) DOCKET NO. 991819-TX Application for transfer of and name change on ALEC Certificate No. 7259 from Xtel, Inc. d/b/a ACG to Interloop, Inc.

ITEM NO. CASE

2 Consent Agenda

(Continued from previous page)

M) DOCKET NO. 991820-TI - Application for transfer of and name change on IXC Certificate No. 7260 from Xtel, Inc. d/b/a ACG to Interloop, Inc.

<u>Recommendation:</u> The Commission should approve the action requested in the dockets referenced above and close these dockets.

DECISION: The recommendation was approved.

ITEM NO. CASE

3

DOCKET NO. 991754-GP - Petition by Friends of the Aquifer, Inc. to adopt rules necessary to establish safety standards and a safety regulatory program for intrastate and interstate natural gas pipelines and pipeline facilities located in Florida.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: APP: Moore EAG: Mills

<u>Issue 1</u>: Should the Commission grant the petition by Friends of the Aquifer, Inc., to initiate rulemaking to adopt rules governing the safety of intrastate and interstate natural gas pipelines and pipeline facilities? Recommendation: No. The Commission should deny the petition. To the extent that the Commission has jurisdiction and the authority to adopt rules governing the safety of gas pipelines, it has done so.

<u>Issue 2</u>: Should this docket be closed?

Recommendation: Yes.

<u>DECISION</u>: This item was deferred to the February 1, 2000 Commission Conference.

ITEM NO. CASE

4

DOCKET NO. 991680-EI - Complaint by The Colony Beach & Tennis Club, Inc. against Florida Power & Light Company regarding rates charged for service between January 1988 and July 1998, and request for refund.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: LEG: Jaye

EAG: E. Draper

<u>Issue 1</u>: Should the civil statute of limitations operate as an absolute bar to Colony's petition?

Recommendation: No. The civil statute of limitations does not bar Colony's petition, as asserted by Florida Power & Light Company. Colony's petition for refund does not arise from alleged meter error. It should, therefore, be addressed under Rule 25-6.106(2), Florida Administrative Code.

<u>Issue 2</u>: Should the complaint of Colony Beach & Tennis Club, Inc. against Florida Power & Light Company be set for hearing?

<u>Recommendation</u>: Yes. This docket involves disputed issues of material fact and law which staff believes can best be determined through a formal hearing before the Commission. <u>Issue 3</u>: Should this docket be closed?

<u>Recommendation</u>: No. This docket should remain open until the Commission concludes a full evidentiary hearing on the matter.

<u>DECISION</u>: This item was deferred to the February 1, 2000 Commission Conference.

5

DOCKET NO. 991526-EQ - Petition of Florida Power Corporation for approval of standard offer contract and accompanying Rate Schedule COG-2.

Critical Date(s): None (Both the 60-day suspension and the

90-day decision on the rule waiver request deadlines were waived by the

Company on 11/24/99.)

Commissioners Assigned: Full Commission

Prehrg Officer CL

Staff: EAG: Futrell, E. Draper

LEG: Jaye

<u>Issue 1</u>: Should FPC's petition for a waiver from the tenyear minimum contract term required by Rule 25-17.0832(4)(e)(7), Florida Administrative Code, be granted? <u>Recommendation</u>: Yes. FPC has demonstrated that the purpose of the underlying statute will be met, and that FPC and its ratepayers will suffer substantial hardship if the variance is not granted.

<u>Issue 2</u>: Should the Commission initiate a rulemaking proceeding to amend Rule 25-17.0832(4)(e)(7), Florida Administrative Code?

<u>Recommendation</u>: Yes. Staff believes that the Commission should amend Rule 25-17.0832(4)(e)(7), Florida Administrative Code, to allow for five year fixed-term standard offer cogeneration contracts.

<u>Issue 3</u>: Should FPC's petition for approval of a new Standard Offer Contract, based upon a combustion turbine unit with an in-service date of 2001, be approved?

<u>Recommendation</u>: Yes. FPC's new Standard Offer Contract complies with Rule 25-17.0832, Florida Administrative Code.

Issue 4: On what date should FPC's proposed Standard Offer
Contract become effective?

Recommendation: Florida Power Corporation's proposed standard offer contract should become effective upon the issuance of a consummating order if there is no timely protest filed.

ITEM NO. CASE

5

DOCKET NO. 991526-EQ - Petition of Florida Power Corporation for approval of standard offer contract and accompanying Rate Schedule COG-2.

(Continued from previous page)

<u>Issue 5</u>: Should this docket be closed?

<u>Recommendation</u>: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of issuance of the order, this docket should be closed upon the issuance of a consummating order.

<u>DECISION</u>: The recommendations were approved.

Mr. James McGee, represensting Florida Power Corporation, addressed the Commission.

6

DOCKET NO. 981166-EI - Request for approval of revised fossil dismantlement expense accruals, effective 1/1/99, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrq Officer CL

Staff: AFA: D. Draper, Lee, Lester, Snyder

EAG: Bohrmann LEG: Elias

<u>Issue 1</u>: Should any reserve allocations be made?

<u>Recommendation</u>: Yes. The company and staff recommend the reserve allocations shown on Attachment A, page 9 of staff's January 6, 2000 memorandum, to correct identified reserve deficiencies. These allocations relate to the additional dismantlement expense recorded in accord with Order No. PSC-98-0027-FOF-EI, issued January 15, 1998.

<u>Issue 2</u>: What is the appropriate annual provision for dismantlement?

Recommendation: As shown on Attachment B, page 10 of staff's memorandum, the appropriate annual Total System provision is \$15,574,015, effective January 1, 1999. This is a decrease of \$1,388,091 from the 1994 approved annual accrual. Costs were determined on a site-specific basis using the latest DRI inflation forecasts and a contingency factor of 16%.

<u>Issue 3</u>: Should FPL's currently approved annual dismantlement accruals be revised?

<u>Recommendation</u>: Yes. Effective January 1, 1999, staff recommends that FPL's annual dismantlement accrual be \$15,574,015.

<u>Issue 4</u>: When should FPL be required to file its next fossil dismantlement site-specific studies?

<u>Recommendation</u>: Staff recommends that FPL be required to file its next site-specific dismantlement studies no later than September 17, 2002.

ITEM NO. CASE

6

DOCKET NO. 981166-EI - Request for approval of revised fossil dismantlement expense accruals, effective 1/1/99, by Florida Power & Light Company.

(Continued from previous page)

<u>Issue 5</u>: Should this docket be closed?

<u>Recommendation</u>: If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of issuance of the order, this docket should be closed upon the issuance of a consummating order.

DECISION: The recommendations were approved.

ITEM NO. CASE

7

DOCKET NO. 990324-EI - Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehrg Officer DS

Staff: AFA: Lee, Mailhot

EAG: Kummer LEG: Elias

<u>Issue 1</u>: What is the appropriate disposition of the accumulated balance of nuclear amortization?

<u>Recommendation</u>: Staff recommends that the \$98,666,667 jurisdictional (\$99,404,247 total company) of nuclear amortization accumulated from January 1, 1996 through April 13, 1999, the day prior to the Implementation Date of the Stipulation, be transferred to FPL's nuclear decommissioning reserve. These decommissioning expenses should be funded on an after-tax basis and all associated debit deferred taxes should be excluded for surveillance purposes. Further, FPL should be required to submit its proposed journal entries to accomplish the transfer with the surveillance report for December 31, 1999.

<u>Issue 2</u>: Should this docket be closed?

<u>Recommendation</u>: If no person whose substantial interests are affected by the proposed agency action files a protest within twenty-one days of issuance of the order, this docket should be closed upon the issuance of a consummating order.

<u>DECISION</u>: This item was deferred to the February 1, 2000 Commission Conference.

ITEM NO. CASE

7A

DOCKET NO. 992014-EI - Petition by Tampa Electric Company for approval of plan to bring generating units into Compliance with the Clean Air Act.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehrg Officer GR

Staff: EAG: Breman, Ballinger

LEG: Elias, Jaye

<u>Issue 1</u>: Should TECO be required to issue a Request For Proposal (RFP) for the shutdown/repowering of the Gannon Station?

Recommendation: Yes. To ensure that TECO selects the lower cost option between purchased power and refurbishing Gannon, TECO should be required to issue an RFP in lieu of the repowering at the Gannon Station. The RFP should solicit proposals that minimize total costs, including the construction of transmission capacity, and ensure that the emission requirements of the CFJ are achieved or exceeded. The RFP results should be filed by May 1, 2000 in order to avoid any further delay in emission reductions that would otherwise result from TECO's Compliance Plan.

<u>DECISION</u>: The recommendation was denied. Processing of the petition will continue. Chairman Garcia dissented on this issue.

<u>Issue 2</u>: Should this docket be closed? <u>Recommendation</u>: No. This matter is currently set for hearing May 30 through June 2, 2000. This docket must remain open until the conclusion of all post-hearing proceedings.

DECISION: The recommendation was approved.

Mr. Lee Willis, representing Tampa Electric Company, addressed the Commission.

Mr. Roger Howe, representing the Office of Public Counsel, addressed the Commission.

Mr. Schef Wright and Mr. Bob Karow, representing Calpine Eastern, addressed the Commission.

ITEM NO. CASE

7A

DOCKET NO. 992014-EI - Petition by Tampa Electric Company for approval of plan to bring generating units into Compliance with the Clean Air Act.

(Continued from previous page)

Mr. John Ramil and Mr. Tom Hernandez, representing Tampa Electric Company, addressed the Commission.

Mr. Mike Green, representing Duke Energy, addressed the Commission.

Mr. Joe McGlothlin, representing Reliant Energy, addressed the Commission.

Mr. John Moyle, Jr., representing PG&E, addressed the Commission.

Ms. Vicki Gordon-Kaufman, representing the Florida Industrial Power Users Group, addressed the Commission.

ITEM NO. CASE

8

DOCKET NO. 990362-TI - Initiation of show cause proceedings against GTE Communications Corporation for apparent violation of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: LEG: Fordham

CMU: Biegalski

Issue 1: Should the Commission accept the settlement offer proposed by GTE Communications Corporation to resolve the apparent violations of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection?

Recommendation: Yes. The Commission should accept the company's settlement proposal. Any contribution should be received by the Commission within ten business days from the issuance date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the settlement offer, the company's certificate should be canceled, and this docket should be closed.

Issue 2: Should this docket be closed?
Recommendation: No. With the approval of Issue 1, this
docket should remain open pending remittance of the \$209,000
voluntary contribution. Upon remittance of the settlement
payment, this docket should be closed.

DECISION: This issue was deferred to a later date.

ITEM NO. CASE

9

DOCKET NO. 991936-TI - Initiation of show cause proceedings against Western Telecom for apparent violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required, Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries, and Section 364.604, F.S., Billing Practices.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer GR

Staff: LEG: Clemons CMU: Watts

<u>Issue 1</u>: Should the Commission order Western Telecom to show cause why it should not be fined \$25,000 for apparent failure to comply with Rule 25-24.470, Florida Administrative Code, Certificate of Public Convenience and Necessity Required?

Recommendation: Yes. The Commission should order Western Telecom to show cause in writing within 21 days of issuance of the Commission's Order why it should not be fined \$25,000 for apparent violation of Rule 25-24.470, Florida Administrative Certificate of Public Convenience Code, and Necessity The company's response should contain specific Required. allegations of fact or law. If Western Telecom fails to respond to the show cause order, the fine should be deemed assessed. If the fine is not paid within ten business days after the order becomes final, it should be forwarded to the Office of the Comptroller for collection. If the fine is paid, it will be remitted by the Commission to the State of Florida General Revenue Fund pursuant to Section 364.285, Florida Statutes.

<u>Issue 2</u>: Should the Commission order Western Telecom to cease all billing in Florida until authorized to do so by the Commission?

Recommendation: Yes. Pursuant to Sections 364.01, 364.08, and 364.19, Florida Statutes, the Commission should order Western Telecom to immediately cease all back-billing and all future billing and provision of service in Florida until authorized to do so by the Commission, and to obtain certification before the company initiates any billing of charges stemming from such authorized prepaid long distance service in Florida.

9

DOCKET NO. 991936-TI - Initiation of show cause proceedings against Western Telecom for apparent violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required, Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries, and Section 364.604, F.S., Billing Practices.

(Continued from previous page)

<u>Issue 3</u>: Should the Commission order all certificated interexchange companies (IXCs) to discontinue providing interexchange telecommunications service to Western Telecom, pursuant to Rule 25-24.4701(3), Florida Administrative Code, Provision of Regulated Telecommunications Service to Uncertificated Resellers Prohibited?

Recommendation: Yes. The Commission should order all certificated IXCs to discontinue providing service to Western Telecom. The order should state that any IXC providing interexchange telecommunications service to Western Telecom should contact the Commission at the conclusion of the show cause response period to determine if the show cause proceeding has been concluded.

<u>Issue 4</u>: Should the Commission order Western Telecom to refund customers for unauthorized charges pursuant to Rule 25-4.114, Florida Administrative Code, Refunds?

Recommendation: Yes. The Commission should order Western Telecom to refund customers for all unauthorized charges relative to intrastate toll usage, non-recurring long distance activation fees, and the unused portion of the recurring prepaid long distance charges pursuant to Rule 25-4.114, Florida Administrative Code, Refunds. Since Western Telecom has not filed tariffs with this Commission that identify the services it will provide and the prices it will charge, the Commission should order Western Telecom to dispense refunds, with interest, to all customers who paid the unauthorized charges, the manner prescribed by Rule 25-4.114, Administrative Code.

<u>Issue 5</u>: Should the Commission order Western Telecom to show cause in writing why it should not be fined \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries?

Recommendation: Yes. The Commission should order Western Telecom to show cause in writing why it should not be fined \$10,000 for apparent violation of Rule 25-4.043, Florida Administrative Code, Response to Commission Staff Inquiries.

9

DOCKET NO. 991936-TI - Initiation of show cause proceedings against Western Telecom for apparent violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required, Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries, and Section 364.604, F.S., Billing Practices.

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If Western Telecom fails to respond to the show cause order, the fine should be deemed assessed. If the fine is not paid within ten business days after the order becomes final, it should be forwarded to the Office of the Comptroller for collection. If the fine is paid, it will be remitted by the Commission to the State of Florida General Revenue Fund pursuant to Section 364.285, Florida Statutes.

<u>Issue 6</u>: Should the Commission order Western Telecom to show cause in writing within 21 days of the Commission's Order why it should not be fined \$2,000 per instance for apparent violation of Section 364.604 (2), Florida Statutes, Billing Practices?

Recommendation: Yes. The Commission should order Western Telecom to show cause in writing within 21 days of the effective date of the order why it should not be fined \$2,000 per instance, or \$78,000, for violation of Section 364.604 (2), Florida Statutes, Billing Practices. If Western Telecom fails to respond to the show cause order, the fine should be deemed assessed. If the fine is not paid within ten business days after the order becomes final, it should be forwarded to the Office of the Comptroller for collection. If the fine is paid, it will be remitted by the Commission to the State of Florida General Revenue Fund pursuant to Section 364.285, Florida Statutes.

Issue 7: Should this docket be closed?

Recommendation: If staff's recommendations in Issues 1, 5 and 6 are approved, Western Telecom will have 21 days from the issuance of the Commission's show cause order to respond in writing why it should not be fined in the amounts proposed. If Western Telecom timely responds to the show cause order, this docket should remain open pending resolution of the show cause proceeding. If Western Telecom fails to respond to the show cause order, the fines will be deemed assessed. If the fines are not received within ten business days after the expiration of the show cause response period, it should be forwarded to the Office of the Comptroller for collection and

ITEM NO. CASE

9

DOCKET NO. 991936-TI - Initiation of show cause proceedings against Western Telecom for apparent violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required, Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries, and Section 364.604, F.S., Billing Practices.

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this docket may be closed administratively if all other issues are closed.

If staff's recommendations in Issues 2 and 3 are approved, they will become final and effective upon the issuance of a consummating Order unless a person whose substantial interests are affected files a timely protest within 21 days of the issuance date of the Order or responds to the show cause. If a protest is filed, this docket should remain open pending resolution of the protest.

If staff's recommendation in Issue 4 is approved, this docket should remain open pending conclusion of the refund or the resolution of a protest filed within 21 days of the issuance date of the Order by a person whose substantial interests are affected. If the PAA portion of this Order is not protested, it will become effective and final upon the issuance of a consummating order.

<u>DECISION</u>: The recommendations were approved with a modification to Issue No. 6 that the fine amount is increased to \$5,000 per violation, for a total of \$195,000.

ITEM NO. CASE

10

DOCKET NO. 980253-TX - Proposed Rules 25-4.300, F.A.C., Scope and Definitions; 25-4.301, F.A.C., Applicability of Fresh Look; and 25-4.302, F.A.C., Termination of LEC Contracts.

Critical Date(s): 2/4/00 (30-day statutory time to respond

to petition.)

Commissioners Assigned: Full Commission

Prehrg Officer CL

Staff: APP: Brown CMU: Marsh

<u>Issue 1</u>: Should the Commission withdraw the proposed Fresh Look rules?

Recommendation: Yes. Rules 25-4.300, F.A.C., Scope and Definitions; 25-4.301, F.A.C., Applicability of Fresh Look; and 25-4.302, F.A.C., Termination of LEC Contracts, should be withdrawn.

<u>Issue 2</u>: Should the Commission grant Time Warner's Petition to Initiate Rulemaking to propose new fresh look rules?

<u>Recommendation</u>: No. The Commission should deny Time Warner's Petition to Initiate Rulemaking.

Issue 3: Should this docket be closed?

Recommendation: Yes.

<u>DECISION</u>: The recommendations for Issues Nos. 1 and 3 were denied and the recommendation for Issue No. 2 was approved.

Mr. Pete Dunbar and Ms. Carolyn Marek, representing Time-Warner, addressed the Commission.

Mr. Michael Goggin, representing BellSouth Telecommunications, Inc., addressed the Commission.

Ms. Kim Caswell, representing GTE Florida, Incorporated, addressed the Commission.

Ms. Vicki Gordon-Kaufman, representing Florida Competitive Carriers Association, addressed the Commission.

ITEM NO. CASE

11

DOCKET NO. 991503-TI - Investigation of GTE Communications Corporation for incorrect billing of intrastate 0+ calls made from pay telephones and intrastate 0+ calls made in a call aggregator context.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer CL

Staff: CMU: Biegalski

AFA: D. Draper LEG: Caldwell

Should the Commission accept GTE Communications Corporation's offer of refund and refund calculation of \$61,636.40, plus interest of \$3,573.99, for a total of \$65,210.39, for overcharging end users on intrastate 0+ calls made from pay telephones and in a call aggregator context from February 1, 1999 through May 31, 1999? Yes. The Commission should accept GTE's Recommendation: refund calculation of \$61,636.40, adding interest of \$3,573.99, for a total of \$65,210.39, and proposal to credit customer bills between March 1, 2000, and April 30, 2000, for overcharging customers on intrastate 0+ calls made from pay telephones and in a call aggregator context from February 1, 1999, though May 31, 1999. The refunds should be made through credits to customers' bills between March 1, 2000, and April 30, 2000. At the end of the refund period, any unrefunded amount, including interest, should be remitted to the Commission by May 10, 2000, and forwarded to the Comptroller for deposit in the General Revenue Fund, pursuant to Section 364.285(1), Florida Statutes. At the end of the refund period, GTE should submit a final report as required by Rule 25-4.114, Florida Administrative Code, Refunds.

<u>Issue 2</u>: Should GTE Communications Corporation be required to show cause why it should not pay a fine for overcharging customers for intrastate 0+ calls made from pay telephone stations and intrastate 0+ calls made in a call aggregator context?

Recommendation: No.

ITEM NO. CASE

11

DOCKET NO. 991503-TI - Investigation of GTE Communications Corporation for incorrect billing of intrastate 0+ calls made from pay telephones and intrastate 0+ calls made in a call aggregator context.

(Continued from previous page)

<u>Issue 3</u>: Should this docket be closed?

<u>Recommendation</u>: No. If no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period, this docket should remain open pending completion of the refund and receipt of the final report on the refund. After completion of the refund and receipt of the final refund report, this docket may be closed administratively.

DECISION: The recommendations were approved.

Mr. Bruce May, representing GTE Communications Corporation, addressed the Commission.

CASE ITEM NO.

12

DOCKET NO. 991359-TI - Investigation and determination of appropriate method for refunding interest and overcharges on intrastate 0+ calls made from pay telephones and in a call aggregator context by QCC, Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrq Officer JC

Staff: CMU: Isler

> AFA: D. Draper LEG: Stern

<u>Issue 1</u>: Should the Commission accept QCC, Inc.'s offer of refund and refund calculation of \$479.55, plus interest of \$30.88, for a total of \$510.43, for overcharging customers from pay telephones between February 1 and August 12, 1999? The Commission should accept QCC's Recommendation: Yes. refund calculation of \$479.55, adding interest of \$30.88, for a total of \$510.43, and proposal to credit customer bills beginning March 1, 2000, and ending April 30, 2000, for overcharging customers from pay telephones and motels/hotels between February 1 and August 12, 1999. refunds should be made through credits to customers' bills beginning March 1, 2000. At the end of the refund period, any amount not refunded, including interest, should be remitted to the Commission and forwarded to the Comptroller for deposit in the General Revenue Fund, pursuant to Chapter 364.285(1), Florida Statutes. In addition, QCC should be required to file a report consistent with Rule 25-4.114, Florida Administrative Code, Refunds, with the Commission once all monies have been refunded.

Issue 2: Should QCC, Inc. be required to show cause why it should not pay a fine for overbilling of calls in excess of the rate cap established in Rule 25-24.630, F.A.C., Rate and Billing Requirements?

Recommendation:

ITEM NO. CASE

12

DOCKET NO. 991359-TI - Investigation and determination of appropriate method for refunding interest and overcharges on intrastate 0+ calls made from pay telephones and in a call aggregator context by QCC, Inc.

(Continued from previous page)

<u>Issue 3</u>: Should this docket be closed?

<u>Recommendation</u>: No. If no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period, this docket should remain open pending completion of the refund and receipt of the final report on the refund. After completion of the refund and receipt of the final refund report, this docket may be closed administratively.

DECISION: The recommendations were approved.

ITEM NO. CASE

13

DOCKET NO. 991539-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 4463 issued to North American Communications Control, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission impose a \$500 fine or cancel North American Communications Control, Inc.'s interexchange telecommunications certificate for apparent violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. The Commission should impose a \$500 fine or cancel the company's certificate if the fine and the regulatory assessment fees, including statutory penalty and interest charges, are not received by the Commission within five business days after issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine and regulatory assessment fees, including statutory penalty and interest charges, are not received, the company's interexchange telecommunications certificate should be canceled administratively.

<u>Issue 2</u>: Should this docket be closed?

<u>Recommendation</u>: Yes. This docket should be closed upon receipt of the fine and fees or cancellation of the certificate, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of issuance of the proposed agency action order.

DECISION: The recommendations were approved.

ITEM NO. CASE

14

DOCKET NO. 991537-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 4414 issued to QAI, Inc. d/b/a Long Distance Billing for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by QAI, Inc. d/b/a Long Distance Billing to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's certificate should be canceled administratively. Issue 2: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

ITEM NO. CASE

15

DOCKET NO. 991533-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 4042 issued to Least Cost Routing, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by Least Cost Routing, Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies? Recommendation: Yes. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number The Commission should forward the and company name. contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's certificate should be canceled administratively. Issue 2: Should this docket be closed? If the Commission approves staff's Recommendation: Yes. recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

ITEM NO. CASE

16

DOCKET NO. 991540-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 4684 issued to Nations Bell, Inc. d/b/a Nations Tel and MTS/Communicall for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehrg Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

Issue 1: Should the Commission accept the settlement offer proposed by Nations Bell, Inc. d/b/a Nations Tel and MTS/Communicall to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies? Recommendation: Yes. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's certificate should be canceled administratively. Issue 2: Should this docket be closed? Recommendation: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

ITEM NO. CASE

17

DOCKET NO. 991132-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 5050 issued to St. Luke's Hospital Association for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by St. Luke's Hospital Association to resolve the apparent violations of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees;

Telecommunications Companies?

<u>Recommendation</u>: Yes. The Commission should accept the company's settlement proposal to pay regulatory assessment fees in a timely manner and follow up to insure that the fees were received.

Issue 2: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.

<u>DECISION</u>: The recommendations were approved.

ITEM NO. CASE

18

DOCKET NO. 991144-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 5395 issued to Walk-In Phone Centers, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by Walk-In Phone Centers, Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

<u>Recommendation</u>: Yes. The Commission should accept the company's settlement proposal. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

Issue 2: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.

DECISION: The recommendations were approved.

ITEM NO. CASE

19

DOCKET NO. 991210-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 5814 issued to Beacon Service Station Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrg Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by Beacon Service Station Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's certificate should be canceled administratively.

Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

ITEM NO. CASE

20

DOCKET NO. 991329-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 5908 issued to South Line Telephone Company, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by South Line Telephone Company, Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. Any contribution should be received by the Commission within ten business days from the date of the Commission Order and should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's certificate should be canceled administratively. Issue 2: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the \$100 contribution or cancellation of the certificate.

DECISION: The recommendations were approved.

ITEM NO. CASE

21

DOCKET NO. 981375-TC - Cancellation by Florida Public Service Commission of Pay Telephone Certificate No. 5041 issued to Pay-Tel Services Inc. for violation of Rules 25-24.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and 25-4.043, F.A.C., Response to Commission Staff Inquiries.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the amended settlement offer proposed by Pay-Tel Services Inc. to resolve the apparent violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies, and Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries?

Recommendation: Yes. The Commission should accept the company's amended settlement proposal. The first \$800 contribution should be received by the Commission by January 31, 2000, and the balance of \$800 should be received by the Commission by February 29, 2000. The payments should identify the docket number and company name. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the company fails to pay in accordance with the terms of the Commission Order, the company's certificate should be canceled administratively.

<u>Issue 2</u>: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed upon receipt of the final installment of the \$1,600 contribution balance or cancellation of the certificate.

<u>DECISION</u>: The recommendations were approved with the understanding that the certificate will be cancelled if payment is not received on or before the due date.

ITEM NO. CASE

22

DOCKET NO. 991513-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3484 issued to Telecommunications Service Center, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer ADM

Staff: CMU: Isler

LEG: K. Peña, B. Keating

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by Telecommunications Service Center, Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

<u>Recommendation</u>: Yes. The Commission should accept the company's settlement proposal. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

Issue 2: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.

DECISION: The recommendations were approved.

ITEM NO. CASE

23

DOCKET NO. 991515-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3963 issued to Global Long Distance, Inc. d/b/a 800 Customers Service for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehrg Officer ADM

Staff: CMU: Isler LEG: Stern

<u>Issue 1</u>: Should the Commission impose a \$500 fine or cancel Global Long Distance, Inc. d/b/a 800 Customers Service's interexchange telecommunications certificate for apparent violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies?

Recommendation: Yes. The Commission should impose a \$500 fine or cancel the company's certificate if the fine and the regulatory assessment fees, including statutory penalty and interest charges, are not received by the Commission within five business days after issuance of the Consummating Order. The fine should be paid to the Florida Public Service Commission and forwarded to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes. If the Commission's Order is not protested and the fine and regulatory assessment fees, including statutory penalty and interest charges, are not received, the company's interexchange telecommunications certificate should be canceled administratively.

<u>Issue 2</u>: Should this docket be closed?

<u>Recommendation</u>: Yes. This docket should be closed upon receipt of the fine and fees or cancellation of the certificate, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of issuance of the proposed agency action order.

DECISION: The recommendations were approved.

ITEM NO. CASE

24

DOCKET NO. 991512-TI - Cancellation by Florida Public Service Commission of Interexchange Telecommunications Certificate No. 3492 issued to GST Net, Inc. for violation of Rule 25-4.0161, F.A.C., Regulatory Assessment Fees; Telecommunications Companies.

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer ADM

Staff: CMU: Isler LEG: Stern

<u>Issue 1</u>: Should the Commission accept the settlement offer proposed by GST Net, Inc. to resolve the apparent violation of Rule 25-4.0161, Florida Administrative Code, Regulatory Assessment Fees; Telecommunications Companies?

<u>Recommendation</u>: Yes. The Commission should accept the company's settlement proposal. The Commission should forward the contribution to the Office of the Comptroller for deposit in the State General Revenue Fund pursuant to Section 364.285(1), Florida Statutes.

<u>Issue 2</u>: Should this docket be closed?

<u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issue 1, this docket should be closed.

<u>DECISION</u>: The recommendations were approved.

25

DOCKET NO. 990954-TP - Petition for waiver of Rule 25-24.920(1)(b),(3)(a),(b), and (c), and (4), F.A.C., which requires customer service provisions to pre-paid calling, by Global Tel*Link Corporation. (Deferred from the 11/16/99 Commission Conference.)

Critical Date(s): None (Statutory deadline waived.)

Commissioners Assigned: Full Commission
Prehrg Officer DS

Staff: CMU: Isler LEG: Fordham

<u>Issue 1</u>: Should the Commission grant Global Tel*Link Corporation's petition for a waiver of Rule 25-24.920(1)(b), Florida Administrative Code, Standards for Prepaid Calling Services and Consumer Disclosure?

Recommendation: Yes. Staff recommends the Commission grant Global's petition for a waiver as long as Global insures the prison provides the required information. Although Global is not providing the required information to the prison inmates, it is providing the required information to the prison facilities. Staff believes that Global has met the intent of the Commission's rule through other means.

Issue 2: Should the Commission grant Global Tel*Link Corporation's petition for a waiver of Rule 25-24.920(4), Florida Administrative Code, Standards for Prepaid Calling Services and Consumer Disclosure?

Recommendation: Yes. Staff recommends the Commission grant Global's petition for a waiver as long as Global insures the prison provides the required information. Although Global is not providing the required information to the prison inmates, it is providing the required information to the prison facilities. Staff believes that Global has met the intent of the Commission's rule through other means.

ITEM NO. CASE

25

DOCKET NO. 990954-TP - Petition for waiver of Rule 25-24.920(1)(b),(3)(a),(b), and (c), and (4), F.A.C., which requires customer service provisions to pre-paid calling, by Global Tel*Link Corporation. (Deferred from the 11/16/99 Commission Conference.)

(Continued from previous page)

<u>Issue 3</u>: Should this docket be closed?

<u>Recommendation</u>: Yes. This docket should be closed upon issuance of a consummating order unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of issuance of the proposed agency action order.

<u>DECISION</u>: The recommendations were approved. On their own motion, the Commissioners voted to reconsider their initial decision to appove the recommendation. After further discussion the recommendation was again approved.

Chairman Garcia dissented.

Mr. Al Howard and Mr. Floyd Self, representing Global Tel*Link Corporation, addressed the Commission.

26

DOCKET NO. 981536-TI - Application for certificate to provide interexchange telecommunications service by One Tel Inc.

Critical Date(s): None

Commissioners Assigned: Full Commission

Prehrg Officer DS

Staff: CMU: Williams

LEG: K. Peña

<u>Issue 1</u>: Should a certificate be granted to One Tel, Inc. to provide interexchange telecommunications service within the State of Florida?

<u>Recommendation</u>: Yes. Staff recommends that the Commission grant One Tel, Inc. Interexchange Certificate No. 7040.

<u>Issue 2</u>: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation, this docket should be closed upon issuance of a Consummating Order unless a person whose substantial interests are affected by the Commission's proposed agency action files a written protest within 21 days of the issuance date of the proposed agency action order. If staff's recommendation is denied, staff recommends that this matter be set for hearing and the docket should remain open pending the outcome of the proceedings.

DECISION: The recommendations were approved.

27

DOCKET NO. 991685-TP - Request by BellSouth
Telecommunications, Inc. for approval of resale agreement
with BellSouth BSE, Inc.

DOCKET NO. 991719-TP - Request for approval of amendment to interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and NorthPoint Communications, Inc.

DOCKET NO. 991720-TP - Request for approval of amendment to interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and Palm Beach Telephone Company.

DOCKET NO. 991723-TP - Request for approval of amendment to interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and Access Integrated Networks, Inc.

Critical Date(s): 2/3/00 (991685), 2/10/00 (991719, 991720

& 991723) (90-day limit pursuant to

Section 252(E)(4) of the

Telecommunications Act of 1996)

Commissioners Assigned: Full Commission
Prehrq Officer ADM

Staff: CMU: Hinton, Wolfe

LEG: B. Keating, Stern

<u>Issue 1</u>: Should the Commission approve the negotiated agreement and amendments to agreements between BellSouth Telecommunications and BellSouth BSE, Inc., Northpoint Communications, Inc., Palm Beach Telephone Company, and Access Integrated Networks, Inc.?

Recommendation: The Commission should approve the negotiated agreement and amendments to agreements, except for those provisions set forth in the analysis portion of staff's January 6, 2000 memorandum that discriminate against telecommunications carriers not a party to the agreements. Staff believes the implementation of the agreements as written is not consistent with the public interest and violates Section 252(i) of the Telecommunications Act of 1996.

ITEM NO. CASE

27

DOCKET NO. 991685-TP - Request by BellSouth
Telecommunications, Inc. for approval of resale agreement
with BellSouth BSE, Inc.

DOCKET NO. 991719-TP - Request for approval of amendment to interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and NorthPoint Communications, Inc.

DOCKET NO. 991720-TP - Request for approval of amendment to interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and Palm Beach Telephone Company.

DOCKET NO. 991723-TP - Request for approval of amendment to interconnection, unbundling, and resale agreement between BellSouth Telecommunications, Inc. and Access Integrated Networks, Inc.

(Continued from previous page)

<u>Issue 2</u>: Should these dockets be closed?

<u>Recommendation</u>: If the Commission approves staff's recommendation in Issue 1, these dockets should be closed.

<u>DECISION</u>: The recommendations were approved. Docket No. 991685-TP was deferred to a later Commission Conference.

ITEM NO. CASE

28

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 960786-TL - Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996.

Critical Date(s): None

Commissioners Assigned: Full Commission (for this decision)

Prehrg Officer DS (981834) Prehrg Officer GR (960786)

Staff: CMU: Favors

AFA: Harvey, Stallcup, Vinson

LEG: B. Keating, Vaccaro

<u>Issue 1</u>: Should the Commission approve the interim performance metrics developed by KPMG?

<u>Recommendation</u>: Yes. Staff believes the interim

performance metrics developed by KPMG (Attachment I to staff's January 6, 2000 memorandum) should be approved by the Commission.

Issue 2: Should these dockets be closed?

Recommendation: No. Whether or not the Commission approves staff's recommendation in Issue 1, these dockets should remain open to address the issues raised in FCCA's Petition for Commission Action to Support Local Competition in BellSouth's Service Territory and BellSouth's compliance with Section 271. If the Commission approves staff's recommendation in Issue 1, the Commission's decision on this issue will become final upon issuance of a consummating order if no person whose substantial interests are affected files a timely protest.

DECISION: The recommendations were approved.

Ms. Nancy White, representing BellSouth Telecommunications, Inc., addressed the Commission.

Ms. Marsha Rule, representing AT&T Communications of the Southern States, Inc., addressed the Commission.

ITEM NO. CASE

28

DOCKET NO. 981834-TP - Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory.

DOCKET NO. 960786-TL - Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996.

(Continued from previous page)

Ms. Vicki Gordon-Kaufman, representing Florida Competitive Carriers Association, addressed the Commission.

Mr. Mike Adderly, representing KPMG, addressed the Commission.

29

DOCKET NO. 990080-WS - Complaint and request for hearing by Linda J. McKenna and 54 petitioners regarding unfair rates and charges of Shangri-La by the Lake Utilities, Inc. in Lake County. (Deferred from the 11/16/99 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: Full Commission Prehrg Officer CL

Staff: LEG: Vaccaro

WAW: Golden, Rieger

<u>Issue 1</u>: Did the utility improperly notice its application for water and wastewater certificates, and rates approved in Docket No. 940653-WS?

<u>Recommendation</u>: No. Therefore, no further noticing should be required regarding Docket No. 940653-WS.

<u>Issue 2</u>: Should the customers' request that the Commission issue an injunction against the utility to cease and desist from charging for water and wastewater service be granted? Recommendation: No.

<u>Issue 3</u>: Should the customers' request that the Commission revoke the utility's water and wastewater certificates be granted?

Recommendation: No.

Issue 4: Did the utility improperly bill its customers?
Recommendation: No.

<u>Issue 5</u>: What is the quality of service rendered to the customers of the utility?

<u>Recommendation</u>: The quality of service provided to the customers should be considered satisfactory.

<u>Issue 6</u>: Should the utility's rate base established by Order No. PSC-96-0062-FOF-WS be modified?

<u>Recommendation</u>: Yes. To correct known errors that were made in the original calculations, rate base should be established as \$52,454 for water and \$45,563 for wastewater as of June 30, 1994.

<u>Issue 7</u>: Should the rates approved by Order No. PSC-96-0062-FOF-WS be modified?

Recommendation: Yes. The rates set forth in the staff analysis are appropriate for all metered customers of the utility. The utility should file revised tariff sheets reflecting the approved rates within thirty days of the

ITEM NO. CASE

29

DOCKET NO. 990080-WS - Complaint and request for hearing by Linda J. McKenna and 54 petitioners regarding unfair rates and charges of Shangri-La by the Lake Utilities, Inc. in Lake County. (Deferred from the 11/16/99 Commission Conference.)

(Continued from previous page)

effective date of the order. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rates may not be implemented until proper notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice.

<u>Issue 8</u>: Should a vacation rate be established for this utility?

Recommendation: No.

<u>Issue 9</u>: Should a new class of service for residential irrigation service be established for this utility? Recommendation: Yes. A new class of service for residential irrigation service for the mobile home park should be established. The appropriate rate should be the utility's water gallonage charge. The utility should file a tariff sheet reflecting the approved rate within thirty days of the effective date of the order. The approved rate should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice. The rate should not be implemented until notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days after the date of the notice. utility should be allowed to notice the new class of service in conjunction with the notice of rates required in Issue 7. Additionally, the utility should be authorized to charge its approved meter installation fee to customers who request installation of a separate irrigation meter.

ITEM NO. CASE

29

DOCKET NO. 990080-WS - Complaint and request for hearing by Linda J. McKenna and 54 petitioners regarding unfair rates and charges of Shangri-La by the Lake Utilities, Inc. in Lake County. (Deferred from the 11/16/99 Commission Conference.)

(Continued from previous page)

Issue 10: Should this docket be closed?
Recommendation: Yes. Because no further action is
necessary, this docket should be closed if no person whose
interests are substantially affected by the proposed
actions, files a protest within the 21-day protest period.

<u>DECISION</u>: The recommendations were approved.

Mr. Martin Friedman, representing Shangri-La by the Lake Utilities, Inc., addressed the Commission.

Mr. George Shepit and Ms. Linda McKenna, customers, addressed the Commission.

Mr. Steve Burgess, representing the Office of Public Council, address the Commission.

30

DOCKET NO. 000005-WS - Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4), F.S.

Critical Date(s): 3/31/00 (Statutory reestablishment

deadline)

Commissioners Assigned: Full Commission

Prehrq Officer JC

Staff: WAW: Groom, Casey

LEG: Fudge

<u>Issue 1</u>: Which index should be used to determine price level adjustments?

Recommendation: The Gross Domestic Product (GDP) Implicit Price Deflator Index is recommended for use in calculating price level adjustments. Staff recommends calculating the 2000 price index by using a fiscal year, four-quarter comparison of the GDP Implicit Price Deflator Index ending with the third quarter 1999.

Issue 2: What should be the 2000 Price Index for water and
wastewater utilities?

<u>Recommendation</u>: The 2000 Price Index for water and wastewater utilities should be 1.36%.

<u>Issue 3</u>: How should the utilities calculate and provide annualized revenues for indexing purposes?

Recommendation: The utilities should utilize Form PSC/WAW 15 (4/99).

<u>Issue 4</u>: How should the utilities be informed of the indexing requirements?

Recommendation: The Division of Records and Reporting should be directed to mail each regulated water and wastewater utility a copy of the PAA order establishing the index which will contain the information presented in Form PSC/WAW 15 (4/99) and Appendix "A" (Attachment 1 of staff's memorandum dated January 6, 2000). A cover letter from the Director of the Water and Wastewater Division should accompany the Order (Attachment 2 of staff's memorandum).

ITEM NO. CASE

30

DOCKET NO. 000005-WS - Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4), F.S.

(Continued from previous page)

<u>Issue 5</u>: Should this docket be closed?

<u>Recommendation</u>: Yes, this docket should be closed if no substantially affected person files a timely protest within the <u>14-day</u> protest period after issuance of the PAA Order.

Any party filing a protest should be required to prefile testimony with the protest.

DECISION: The recommendations were approved.

ITEM NO. CASE

31

DOCKET NO. 991632-WS - Application for original certificate to operate water and wastewater utility in Bay County by Dana Utility Corporation.

Critical Date(s): 1/19/00 (90-day statutory deadline)

Commissioners Assigned: Full Commission Prehrg Officer DS

Staff: WAW: Rehwinkel, Redemann

LEG: Christensen

Should the application of Dana Utility Corporation for original certificates of authorization to operate a water and wastewater utility be granted? Recommendation: Yes. Dana Utility Corporation should be granted Water Certificate No. 614-W and Wastewater Certificate 529-S to serve the territory described in Attachment A of staff's January 6, 2000 memorandum. utility should be required to file a separate application in this docket for initial rates and charges with supporting financial, technical, and engineering data by February 20, 2000, consistent with this Commission's vote on the temporary rule waiver in this docket. Further, the utility must file with this Commission an executed copy of the warranty deed within 30 days of the issuance date of the order pursuant to Rule 25-30.033(1)(j), Florida Administrative Code.

<u>Issue 2</u>: Should this docket be closed?

<u>Recommendation</u>: No. This docket should remain open pending completion of the filing requirements by the utility and the establishment of resulting rates and charges by the Commission. The utility should be put on notice that it cannot receive any compensation for utility service until its rates and charges have been established by the Commission pursuant to Sections 367.045, and Section 367.081(1), Florida Statutes.

<u>DECISION</u>: The recommendations were approved.

ITEM NO. CASE

32

DOCKET NO. 981079-SU - Application for amendment of Certificate No. 104-S to extend service territory in Pasco County by Hudson Utilities, Inc., and request for limited proceeding.

Critical Date(s): None

Commissioners Assigned: Full Commission
Prehrq Officer JC

Staff: LEG: Cibula, Crosby WAW: Clapp, Redemann

<u>Issue 1</u>: Should the Commission grant Hudson Utilities, Inc.'s Motion for Extension of Time to File Proof of Transfer of Territory?

Recommendation: Yes. The Commission should grant Hudson Utilities, Inc.'s Motion for Extension of Time to File Proof of Transfer of Territory. As requested in its motion, the utility should be allowed until June 27, 2000, to file proof of the transfer of the Signal Cove territory from Pasco County to Hudson Utilities, Inc.

Issue 2: Should this docket be closed?

Recommendation: No. This docket should remain open to allow staff to verify that Hudson Utilities, Inc., has filed proof of the transfer of the Signal Cove territory from Pasco County to the utility. Once staff has verified this information, this docket should be closed administratively.

<u>DECISION</u>: The recommendations were approved.

33

DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

Critical Date(s): 1/18/00 (5-month effective date)

Commissioners Assigned: Full Commission Prehrg Officer JC

Staff: WAW: Willis, Bethea, Merchant, Crouch, Binford,

Kyle, G. Edwards, Lingo

AFA: Maurey, Samaan LEG: Jaeger, Fudge

<u>Issue 1</u>: Is the quality of service satisfactory? <u>Recommendation</u>: Yes, the quality of service is satisfactory.

Rate Base

<u>Issue 2</u>: Should the utility be required to adjust its plant in service, accumulated depreciation, contributions in aid of construction (CIAC), accumulated amortization of CIAC and depreciation expense so as to be in conformity with the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA)?

<u>Recommendation</u>: Yes. The utility should be required to make the following adjustments to its books and records:

| Utility Plant in Service | \$490,350 |
|----------------------------------|-----------|
| CIAC | (490,350) |
| Accumulated Depreciation | (117,535) |
| Accumulated Amortization of CIAC | 117,535 |
| Depreciation Expense | 11,944 |
| CIAC Amortization Expense | (11,944) |

Further, the utility should be required to maintain its books and records in conformity with the NARUC Uniform System of Accounts as required by Rule 25-30.115, Florida Administrative Code.

<u>Issue 3</u>: What additional adjustments, if any, should be made to the utility's projected plant in service, accumulated depreciation, depreciation expense, and property taxes?

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DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

(Continued from previous page)

Recommendation: The utility's projected plant in service should be decreased by a net amount of \$72,651. Accumulated depreciation should be decreased by a net amount of \$60,943. Depreciation expense should be increased by a net amount of \$6,097. Property taxes should be increased by \$6,579.

<u>Issue 4</u>: Should a margin reserve be included in the used and useful determination?

Recommendation: Yes, a margin reserve of 1,207,614 gallons per day (GPD) should be included in the plant's used and useful. In addition, the margin reserve for the distribution system is 1030 equivalent residential connections (ERCs).

<u>Issue 5</u>: Is there excessive unaccounted for water and, if so, what adjustments should be made to purchased power and chemical costs?

Recommendation: Yes, there is excessive unaccounted for water in the amount of 15,211 GPD. The resulting adjustments required are \$4,175.60 for purchased power cost and \$604.04 for chemical cost.

<u>Issue 6</u>: What used and useful percentages are appropriate for this proceeding?

<u>Recommendation</u>: The water treatment plant should be considered 100% used and useful, and the distribution system should be considered 100% used and useful.

<u>Issue 7</u>: What additional adjustments, if any, should be made to the utility's projected CIAC, accumulated amortization of CIAC, advances for construction and depreciation expense?

Recommendation: The utility's projected CIAC should be increased by \$108,341. Accumulated amortization of CIAC should be increased by \$4,833. Advances for construction should be decreased by \$59,018. Depreciation expense should be decreased by \$2,787.

<u>Issue 8</u>: By what amount, if any, should rate base be reduced for unfunded liability for Other Postretirement Employee Benefits (OPEBs)?

<u>Recommendation</u>: The utility has included its unfunded liability for OPEBs in its working capital calculation. No additional reduction in rate base is required.

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DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

(Continued from previous page)

<u>Issue 9</u>: What is the appropriate working capital?

<u>Recommendation</u>: The appropriate working capital for the test year ended December 31, 2000 is \$46,712.

<u>Issue 10</u>: What is the appropriate rate base?

<u>Percommendation</u>: The appropriate rate base for the test

<u>Recommendation</u>: The appropriate rate base for the test year ended December 31, 2000 is \$8,026,640.

Cost of Capital

<u>Issue 11</u>: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the projected test year ending December 31, 2000?

<u>Recommendation</u>: The appropriate cost of capital is 9.10% based on a return on equity (ROE) of 9.98%, with a range of 8.98% to 10.98%, and a 13-month average capital structure for the period ending December 31, 2000.

<u>Net Operating Income</u>

Issue 12: What is the appropriate method of projecting customers and consumption for the projected test year ending December 31, 2000, and what are the resulting projected numbers of bills and consumption for the 2000 projected test year before any adjustments are made?

Recommendation: Linear regression is the appropriate method of projecting customers and consumption. The resulting projected numbers of bills and consumption for the 2000 projected test year, before adjustments, are 82,649 bills and 1,778,308 hundred cubic feet (CCF), respectively.

Issue 13: What adjustments, if any, are necessary to the 2000 projected test year revenues and expenses to reflect the appropriate number of water customers, bills, and consumption?

Recommendation: Based on staff's revised projections of the appropriate number of water customers, bills, and consumption discussed in Issue 12, test year projected operating revenue at the current rates, chemical expense, power expense, and bad debt expense should be increased as outlined in the analysis portion of staff's January 6, 2000 memorandum.

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DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

(Continued from previous page)

<u>Issue 14</u>: Should adjustments be made to O&M expenses for the reclassification of legal fees from the electric division?

<u>Recommendation</u>: Yes. O&M expense should be increased by \$1,822 to reflect reclassification of legal fees from the electric division.

<u>Issue 15</u>: Should adjustments be made to O&M expenses for the removal of transportation expense related to the electric division?

Recommendation: Yes. O&M expenses should be reduced by \$15,069 to reflect the removal of transportation expense for the electric division.

<u>Issue 16</u>: Should the utility's methodology for calculating the projected purchase power expense and the chemical expense be approved?

Recommendation: No. The variable portion of projected purchased power expense should be based on the projected increase of water pumped from 1998 to 2000, not the change in the amount of water sold. Projected chemical expense should be escalated based on a combination of the change in water pumped, customer growth and inflation from 1998 to 2000, not just by customer growth and inflation factors.

Issue 17: What is the appropriate amount of rate case expense?

<u>Recommendation</u>: The appropriate rate case expense for this docket is \$45,988. This expense is to be recovered over four years for an annual expense of \$11,497.

<u>Issue 18</u>: Should an adjustment be made to payroll taxes to reflect the addition of a new employee?

Recommendation: Yes. Payroll taxes should be increased \$5,519 for the omitted payroll taxes for a projected salary increase for a new employee.

<u>Issue 19</u>: Should an adjustment be made to remove franchise fees and associated revenue from net operating income?

<u>Recommendation</u>: Yes. Franchise fees of \$157,149 and revenues of \$121,900 should not be included in the revenue requirement.

<u>Issue 20</u>: What is the test year operating income before any revenue increase?

ITEM NO. CASE

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DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

(Continued from previous page)

<u>Recommendation</u>: Based on the adjustments discussed in previous Issues, staff recommends that the test year operating income before any provision for increased revenues should be \$504,324.

Revenue Requirement

<u>Issue 21</u>: What is the appropriate revenue requirement? <u>Recommendation</u>: The following revenue requirement should be approved:

| | <u>TOTAL</u> | \$ INCREASE | % INCREASE |
|-------|--------------|-------------|------------|
| Water | \$ 2,791,850 | \$ 380,652 | 15.79% |

Rates and Rate Structure

<u>Issue 22</u>: Is it appropriate to modify the utility's customer classifications to reflect a shift of residential bills and consumption to the general service (commercial) category, and, if so, what are the appropriate numbers of bills and consumption to shift and when should the shift be made?

Recommendation: Yes, it is appropriate to modify the utility's customer classifications to shift bills and CCF from the residential to the general service category. The appropriate numbers of bills and CCF to shift are 1,553 and 160,668, respectively. The shift should be made after the customer and consumption projections are complete. The utility should be ordered to make the appropriate reclassifications before the recommended rates go into effect.

<u>Issue 23</u>: What is the appropriate rate structure for this utility, and what are the appropriate monthly rates for service?

Recommendation: The appropriate rate structure for residential customers is a base facility and CCF charge rate structure consisting of three tiers (usage blocks) with an inclining rate for each subsequent tier. The appropriate rate structure for the general service customers is a continuation of the traditional base facility and uniform

DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

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CCF charge rate structure. The recommended rates, as shown on Schedule No. 4 of staff's memorandum, should be designed to produce revenues of \$2,733,930, excluding miscellaneous service charge revenues. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date of the revised tariff sheets pursuant to Rule 25-30.475(1), Florida Administrative Code. The rates should not be implemented until staff has approved the proposed customer notice, and the notice has been received by the customers. The utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

<u>Issue 24</u>: Is repression of consumption likely to occur, and, if so, what is the appropriate adjustment and the resulting consumption to be used to calculate consumption charges?

Recommendation: Yes, repression of consumption is likely to occur. The appropriate repression adjustment is a reduction in consumption of 27,617 CCF, and the resulting consumption to be used to calculate consumption charges is 1,750,691 CCF. In order to monitor the effects of this rate proceeding on consumption, the utility should be ordered to file monthly reports detailing the number of bills rendered, the consumption billed (by usage block for residential customers) and the revenue billed. These reports should be provided, by customer class and meter size, on a quarterly basis for a period of two years, beginning with the first billing period after the increased rates go into effect. <u>Issue 25</u>: What are the appropriate private fire protection rates?

Recommendation: The private fire protection rates should be recalculated and set equivalent to one-twelfth of the general service base facility charges in accordance with Rule 25-30.465, Florida Administrative Code. In addition, staff recommends that water base facility charges should be set for 6-inch, 8-inch and 10-inch general service meter sizes.

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DOCKET NO. 990535-WU - Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System).

(Continued from previous page)

<u>Issue 26</u>: Should the utility's proposed miscellaneous service charges be approved?

Recommendation: Yes. The utility's proposed miscellaneous service charges should be approved. If the utility files revised tariff sheets within thirty days of the issuance date of the order which are consistent with the Commission's vote, staff should be given administrative authority to approve the revised tariff sheets upon staff's verification that the tariffs are consistent with the Commission's If the revised tariff sheets are filed and approved, the revised miscellaneous service charges should be implemented on or after the stamped approval date of the tariff sheets pursuant to Rule 25-30.475(2), Florida Administrative Code, provided customers have received notice. The utility should provide proof that the customers have received notice within 10 days after the date of the notice.

<u>Issue 27</u>: Should this docket be closed?

<u>Recommendation</u>: Yes. If no timely protest is received upon the expiration of the protest period, the Order should become final and effective upon issuance of a consummating order and this docket should be closed. Staff will nevertheless monitor the utility's compliance with Rule 25-30.115, Florida Administrative Code, as addressed in Issue 2.

<u>DECISION</u>: The recommendations were approved with a modification to Schedule No. 4 in Issue No. 23.

Ms. Cheryl Martin, Mr. George Bachman and Mr. Patrick Foster, representing Florida Public Utilities, Inc., addressed the Commission.

34

DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

Critical Date(s): None

Hearing Date(s): 9/8/99, Talla., Prehrg., DS

10/12/99, Talla., DS CL JC

Commissioners Assigned: DS CL JC

Prehrg Officer DS

Staff: EAG: Haff, Harlow, S. Brown, Makin

LEG: Elias

<u>Issue 1</u>: Is Gulf Power Company's proposed Good Cents Conversion Program cost-effective?

Recommendation: Under Gulf's base-case assumptions, the proposed Program is cost-effective to Gulf's all-electric customers. However, the record is unclear whether the proposed Program would be cost-effective to Gulf's dual-fuel (electric and natural gas) customers. Further, the proposed Program has a long (13-year) payback for participating customers. This suggests that the proposed Program is marketable only when combined with Gulf's free gas-to-electric water heater conversion program.

<u>Issue 2</u>: Is Gulf Power Company's cost-effectiveness analysis based on accurate assumptions?

Recommendation: No. Gulf's base-case assumptions overstate the proposed Program's cost-effectiveness as well as the demand and energy savings. Under more realistic assumptions, the proposed Program would increase annual energy consumption and increase the payback period for Program participants from 13 years to 22 years. This would further Gulf's need to market the free gas-to-electric water heater conversion program in concert with the Good Cents Conversion Program.

<u>Issue 3</u>: Under Gulf Power Company's proposed Good Cents Conversion Program, are customers likely to replace existing inefficient heating, ventilating, and air conditioning (HVAC) equipment only if it fails?

<u>Recommendation</u>: Staff believes that the \$200 rebate offered by Gulf is too small to encourage customers to change out functioning HVAC equipment sooner than absolutely necessary, such as when existing equipment fails.

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DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

(Continued from previous page)

Issue 4: Is Gulf Power Company's proposed Good Cents
Conversion Program an energy conservation program, or,
rather, electricity competing with natural gas?
Recommendation: As a stand-alone program or when combined
with Gulf's free gas-to-electric water heater conversion
program, the proposed Good Cents Conversion program competes
with natural gas because it encourages fuel switching.
Issue 5: Is Gulf Power Company's proposed Good Cents
Conversion Program consistent with the Florida Energy
Efficiency and Conservation Act?
Recommendation: No. Even under Gulf's base-case
assumptions, the proposed Program is expected to increase

assumptions, the proposed Program is expected to increase Gulf's system winter peak demand by approximately 22 MW. Under realistic assumptions, the proposed Program will also increase annual energy consumption by approximately 6,950,000 kWh. Winter peak demand, annual energy consumption, and summer peak demand are all expected to increase even more when the proposed Program is combined with Gulf's existing free gas-to-electric water heater conversion program.

<u>Issue 6</u>: Should the Commission approve Gulf Power Company's proposed Good Cents Conversion Program, including approval for cost recovery through the Energy Conservation Cost Recovery (ECCR) Clause?

Recommendation: No. Staff recommends that the Commission deny the proposed Program, including cost recovery through the ECCR Clause, because the proposed Program: (1) increases winter peak demand and annual energy consumption, contrary to the intent of FEECA; (2) has an extremely long payback period of 22 years under the Participants test; (3) encourages customers to switch from natural gas heating to electric heating; and (4) may be used to market an existing free gas-to-electric water heater conversion program.

ITEM NO. CASE

34

DOCKET NO. 981591-EG - Petition for authority to implement Good Cents Conversion Program by Gulf Power Company.

(Continued from previous page)

Issue 7: Should the docket be closed?

<u>Recommendation</u>: The docket should be closed after the time for filing an appeal has run.

<u>DECISION</u>: The recommendations were approved.

35

DOCKET NO. 981008-TP - Request for arbitration concerning complaint of American Communication Services of Jacksonville, Inc. d/b/a e.spire Communications, Inc. and ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. against BellSouth Telecommunications, Inc. regarding reciprocal compensation for traffic terminated to internet service providers.

Critical Date(s): None

Hearing Date(s): 1/6/99, Prehrg., Talla., JC

1/20/99, Talla., JN JC

Commissioners Assigned: DS CL JC

Prehrg Officer JC

Staff: LEG: B. Keating

CMU: Favors, Ileri

<u>Issue 1</u>: Should e.spire's Request for Oral Presentation be granted?

Recommendation: Yes. Staff recommends that the request be granted. In view of the questions raised at the November 30, 1999, Agenda Conference, and addressed herein, staff believes that oral argument will assist the Commission in rendering its decision on this matter, particularly as it relates to whether e.spire should be required to provide some type of security for the amount due.

<u>Issue 2</u>: Should BellSouth's Motion for Stay Pending Appeal be granted?

Recommendation: No. The Commission should not reconsider its findings that the price at which CNAM database service is offered should be market-based, and that NTW should not be priced as a UNE. MediaOne has failed to demonstrate that the Commission overlooked or failed to consider a point of fact or law in rendering its decision in this case.

The Commission should, however, grant MediaOne's request and clarify Order No. PSC-99-2009-FOF-TP ordering that MediaOne is not required to install a condominium NID within a MDU residence when the first pair of NTW is provided by BellSouth for MediaOne's use and that MediaOne be required to install a condominium NID when technical circumstances dictate.

ITEM NO. CASE

35

DOCKET NO. 981008-TP - Request for arbitration concerning complaint of American Communication Services of Jacksonville, Inc. d/b/a e.spire Communications, Inc. and ACSI Local Switched Services, Inc. d/b/a e.spire Communications, Inc. against BellSouth Telecommunications, Inc. regarding reciprocal compensation for traffic terminated to internet service providers.

(Continued from previous page)

Issue 3: Should this Docket be closed?
Recommendation: No. This Docket should remain open pending
resolution of BellSouth's appeal of Order No. PSC-99-0658FOF-TP and the Commission's resolution of BellSouth's
protest of the proposed agency action portion of that Order.

<u>DECISION</u>: The recommendations were approved. The request for oral argument was withdrawn by e.spire's counsel rendering Issue No. 1 moot.

Commissioner Deason dissented on Issue No. 2.

Mr. Norman Horton, representing e.spire Communications, Inc., addressed the Commission.

36

DOCKET NO. 990149-TP - Petition by MediaOne Florida Telecommunications, Inc. for arbitration of an interconnection agreement with BellSouth Telecommunications, Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996.

Critical Date(s): None

Hearing Date(s): 6/22/99, Prehrg., Talla., JC

7/9/99, Talla., DS CL JC

Commissioners Assigned: DS CL JC

Prehrg Officer JC

Staff: LEG: Fordham

CMU: Favors, Kennedy, King, Ollila

<u>Issue 1</u>: Should the Commission grant MediaOne's request to file supplemental authority in support of its Motion to Reconsider?

<u>Recommendation</u>: No. The Commission should not grant MediaOne's request to file supplemental authority in support of its Motion to Reconsider.

<u>Issue 2</u>: Should the Commission grant Mediaone's Motion for Reconsideration?

Recommendation: The Commission should not reconsider its findings that the price at which CNAM database service is offered should be market-based, and that NTW should not be provided as a UNE. MediaOne has failed to demonstrate that the Commission overlooked or failed to consider a point of fact or law in rendering its decision in this case.

The Commission should, however, grant MediaOne's request and clarify Order No. PSC-99-2009-FOF-TP such that whether MediaOne is required to install a NID within a MDU residence depends upon the situation.

<u>Issue 3</u>: Should the Commission grant MediaOne's request for stay of its Order?

Recommendation: Staff recommends that the stay be denied, but that the time for filing the agreement in accordance with Order No. PSC-99-2009-FOF-TP should be extended. If the Commission approves staff's recommendation, the parties should be required to file their agreement memorializing the Commission's decision in Order No. PSC-99-2009-FOF-TP, as clarified herein, within 15 days of the issuance of the Commission's Order resulting from this recommendation.

ITEM NO. CASE

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DOCKET NO. 990149-TP - Petition by MediaOne Florida Telecommunications, Inc. for arbitration of an interconnection agreement with BellSouth Telecommunications, Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996.

(Continued from previous page)

<u>Issue 4</u>: Should this Docket be closed?

<u>Recommendation</u>: No. The docket should remain open pending approval of the agreements submitted in compliance with the Final Order.

<u>DECISION</u>: The recommendations were approved with the addition of MediaOne's second request to its Motion to Reconsider.

ITEM NO. CASE

37

DOCKET NO. 980242-SU - Petition for limited proceeding to implement two-step increase in wastewater rates in Pasco County by Lindrick Service Corporation. (Deferred from the 11/20/99 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: DS CL JC

Prehrg Officer CL

Staff: LEG: Jaeger

WAW: Chu, Dewberry, Munroe

Issue 1: Should OPC's Motion for Order Requiring Refunds With Interest for Collecting Unlawful Rates be granted? Recommendation: OPC's motion should be granted in part and Specifically, for the emergency rates, denied in part. Lindrick Service Corporation should be required to refund with interest (through a credit on the bills) all increased revenues associated with implementing the emergency rates for service provided prior to May 27, 1999. For the temporary rates, the utility should be required to refund with interest (through a credit on the bills) all increased revenues associated with implementing the temporary rates for service prior to October 11, 1999, and not the October 12, 1999 date requested by OPC. All refunds should be made in accordance with Rule 25-30.360, Florida Administrative Code, and should be completed within 45 days of the issuance date of the Order requiring refunds.

Issue 2: Should the Commission order Lindrick Service Corporation to show cause, in writing, within twenty-one days, why it should not be fined an amount up to \$5,000 for each offense for its apparent failure to properly implement both the emergency rates and temporary rates as authorized by Orders Nos. PSC-99-1010-PCO-SU, issued May 20, 1999, and PSC-99-1883-PAA-SU, issued September 21, 1999, respectively? Recommendation: No. A show cause proceeding should not be initiated for the utility's apparent failure to properly implement the emergency and temporary rates authorized by Orders Nos. 99-1010-PCO-SU and PSC-99-1883-PAA-SU.

ITEM NO. CASE

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DOCKET NO. 980242-SU - Petition for limited proceeding to implement two-step increase in wastewater rates in Pasco County by Lindrick Service Corporation. (Deferred from the 11/20/99 Commission Conference.)

(Continued from previous page)

<u>Issue 3</u>: Should this docket be closed?

<u>Recommendation</u>: No. This docket should remain open in order to conduct a hearing on the protests filed in this docket.

<u>DECISION</u>: The recommendations for Issues Nos. 1 and 3 were approved. The recommendation for Issue No. 2 was denied. Instead, the Commission will institute a show cause proceeding that will be consolidated with this rate case.

Mr. Steve Burgess, representing the Office of Public Counsel, addressed the Commission.

Mr. Hank Glover and Rep. Heather Fiorentino, customers, addressed the Commission.

Mr. John Ellis and Mr. Joseph Borda, President, representing Linkdrick Service Corporation, addressed the Commission.

38

DOCKET NO. 971220-WS - Application for transfer of Certificates Nos. 592-W and 509-S from Cypress Lakes Associates, Ltd. to Cypress Lakes Utilities, Inc. in Polk County.

Critical Date(s): None

Hearing Date(s): 10/4/99, Prehrg., Talla,, CL

Commissioners Assigned: DS CL JC

Prehrg Officer CL

Staff: LEG: Brubaker, Crossman

PAI: Mann WAW: Walden

<u>Issue 1</u>: What was the condition of the assets sold to Cypress Lakes Utilities, Inc.?

<u>Recommendation</u>: The water and wastewater systems appeared to be in satisfactory condition, with no outstanding operating violations.

<u>Issue 2</u>: Was Cypress Lakes Associates, Ltd. (CLA) a "troubled" utility?

<u>Recommendation</u>: The record indicates that Cypress Lakes Associates was a functioning utility but was economically troubled.

<u>Issue 3</u>: Are there any extraordinary circumstances which warrant an acquisition adjustment to rate base and, if so, what are they?

Recommendation: There are extraordinary circumstances that have supported rate base inclusion of an acquisition adjustment; however, the record in this case does not support a finding that extraordinary circumstances exist and therefore a acquisition adjustment should not be applied.

<u>Issue 4</u>: What is the net book value for the water and wastewater systems?

<u>Recommendation</u>: The respective net book values for the water and wastewater systems were \$617,609 and \$921,439 at December 31, 1997.

<u>Issue 5</u>: Should a negative acquisition adjustment be included in the rate base determination?

<u>Recommendation</u>: Rate base inclusion of a negative acquisition adjustment is not appropriate.

ITEM NO. CASE

38

DOCKET NO. 971220-WS - Application for transfer of Certificates Nos. 592-W and 509-S from Cypress Lakes Associates, Ltd. to Cypress Lakes Utilities, Inc. in Polk County.

(Continued from previous page)

<u>Issue 6</u>: What is the rate base for the water and wastewater systems, for the purposes of this transfer?

<u>Recommendation</u>: The rate base amount should match the net book values of the acquired assets. Rate base is \$617,609 for water and \$921,439 for wastewater.

Issue 7: Who bears the burden of proving whether an acquisition adjustment should be included in the rate base? Recommendation: Rate base inclusion of an acquisition adjustment ultimately affects the utility's rates. The utility must support its rate base balance. A showing of extraordinary circumstances must be made to warrant a rate base inclusion of an acquisition adjustment. Once the utility makes an initial showing that there are not extraordinary circumstances, the burden of persuasion shifts to the opposing party to demonstrate that extraordinary circumstances are present. If the opposing party meets the burden of persuasion, the ultimate burden of rebutting the opposing party's allegations rests upon the utility.

Issue 8: Must extraordinary circumstances be shown in order to warrant rate base inclusion of an acquisition adjustment?

to warrant rate base inclusion of an acquisition adjustment?

Recommendation: Yes, extraordinary circumstances must be shown in order to warrant rate base inclusion of an acquisition adjustment.

<u>Issue 9 (New)</u>: Should this docket be closed? <u>Recommendation</u>: Yes. If the Commission approves staff's recommendation in Issues 1 through 8, nothing will remain to be done in this docket and the docket should be closed.

DECISION: The recommendations were approved.

Commissioner Deason dissented on the issue of acquisition adjustment.

ITEM NO. CASE

39

DOCKET NO. 951056-WS - Application for rate increase in Flagler County by Palm Coast Utility Corporation. (Deferred from the 11/30/99 Commission Conference.)

Critical Date(s): None

Commissioners Assigned: DS CL

Prehrg Officer DS

Staff: LEG: Fudge, Gervasi

WAW: Willis, Merchant, Rendell

<u>Issue 1</u>: In light of the decision and mandate of the First District Court of Appeal, what action should the Commission take regarding the Court's reversal and remand of portions of Order No. PSC-96-1338-FOF-WS, issued November 7, 1996? Recommendation: The Commission should reopen the record for the very limited purpose of taking evidence on what methodology should be used in calculating the used and useful percentages for the water distribution and wastewater collection systems; whether to approve a fire flow allowance; and what flows should be used in the numerator of the used and useful equation. If the Commission does reopen the record to take evidence on these issues, staff believes that the additional issue of rate case expense for reopening the record can be considered at that time. The Commission should not reopen the record on the margin reserve period for the wastewater plant and instead should adopt a threeyear margin reserve period which was supported by the testimony of staff witness Amaya. Furthermore, the Commission should, in accordance with the Court's mandate, correct the service availability charge used to impute CIAC on margin reserve.

<u>Issue 2</u>: Should PCUC be required to modify its current appeal bond in order to secure any potential refunds pending the completion of the hearing?

<u>Recommendation</u>: Yes. PCUC should be required to increase its current appeal bond to the amount of \$1,622,122.

Issue 3: Should this docket be closed?

<u>Recommendation</u>: No. The docket should remain open pending final disposition of the remand.

<u>DECISION</u>: The recommendations were approved. Issue No. 1 is deferred.

Commissioners participating: Deason, Jacobs

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| 7A | DOCKET NO. 992014-EI - Petition by Tampa Electric Company for approval of plan to bring generating units into Compliance with the Clean Air Act | • | | 12 |
| 8 | DOCKET NO. 990362-TI - Initiation of show cause proceedings against GTE Communications Corporation for apparent violation of Rule 25-4.118, F.A.C., Local, Local Toll, or Toll Provider Selection | | | 13 |

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| 9 | DOCKET NO. 991936-TI - Initiation of show cause proceedings against Western Telecom for apparent violation of Rule 25-24.470, F.A.C., Certificate of Public Convenience and Necessity Required, Rule 25-4.043, F.A.C., Response to Commission Staff Inquiries, and Section 364.604, F.S., Billing Practices | | 14 |
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